

REMARKS

Amendments

Amendments to the Claims

Applicant has amended the claims to clarify that the user of a digital transaction device is given rewards for using the digital transaction device. No new matter has been added as a result of these amendments because they are supported, *intra alia*, in paragraph 3 on page 62.

Rejections

Rejections under 35 U.S.C. § 102(e)

Claims 1-14, 19-26, 31-38 and 43-56

Claims 1-14, 19-26, 31-38 and 43-56 stand rejected under 35 U.S.C. § 102(e) as being anticipated by Johnson, et al., U.S. Patent 6,999,943. Applicant does not admit that Johnson is prior art and reserves the right to challenge the reference at a later date.

Johnson discloses a system for allowing a consumer to provide multiple methods of payment to a merchant (vendor) for a particular transaction. The merchant then chooses which method of payment is more profitable to that merchant. The merchant may optionally provide an incentive to the consumer for supplying these multiple methods of payment.

In contrast, Applicant claims allowing a consumer to transact with a vendor using a personal transaction device. Incentives to the user are determined for each transaction. As claimed, the user incentives are given to reward the user for completing transactions with the personal transaction device. Therefore, Johnson's user incentives cannot be properly interpreted as Applicant's user incentives because Johnson does not suggest the user incentives as claimed.

Accordingly, Applicant respectfully submits that the invention claimed in claims 1-14, 19-26, 31-38, and 43-56 is not anticipated by Johnson under 35 U.S.C. § 102(e) and respectfully requests the withdrawal of the rejection of the claims.

Rejections under 35 U.S.C. § 103

Claims 15-18, 27-30, 39-42 and 57-60

Claims 15-18, 27-30, 39-42 and 57-60 stand rejected under 35 U.S.C. §103(a) as being unpatentable over Johnson in view of Official Notice because it is well-known that (1) users be allowed to select earned incentives from a list of incentives using a portable device and (2) notification be given to a vendor or user of an available incentive when the user's account reached a predetermined threshold. However, claims 15-18, 27-30, 39-42 and 57-60 depend from independent claims 1, 19, 31, and 43. Because Johnson does not teach or suggest Applicant's claimed incentives to the user given as a reward for completing transactions with the personal transaction device, the combination of Johnson and the Official Notice asserted by the Examiner does not disclose each and every limitation of the invention claimed in claims 15-18, 27-30, 39-42 and 57-60.

Furthermore, the Examiner takes Official Notice and rejects claims 15-17, 27-29, 39-41, 57-59 because allowing users to select earned incentives from a list of incentives using a portable device is well-known. Applicant is unaware that the use of a portable device to choose incentives is well-known in the art. Applicant respectfully objects to such Official Notice and requests the Examiner cite references in support of his/her position [MPEP §2144.03].

Accordingly, Applicant respectfully submits that Applicant's invention as claimed in claims 15-18, 27-30, 39-42 and 57-60 is not rendered obvious by the asserted combination, and respectfully request the withdrawal of the rejection of the claims under 35 U.S.C. § 103(a).

SUMMARY

Claims 15-18, 27-30, 39-42 and 57-60 are currently pending. In view of the foregoing amendments and remarks, Applicant respectfully submits that the pending claims are in condition for allowance. Applicant respectfully requests reconsideration of the application and allowance of the pending claims.

If the Examiner determines the prompt allowance of these claims could be facilitated by a telephone conference, the Examiner is invited to contact Sue Holloway at (408) 720-8300 x3476.


Deposit Account Authorization

Authorization is hereby given to charge our Deposit Account No. 02-2666 for any charges that may be due. Furthermore, if an extension is required, then Applicant hereby requests such extension.

Respectfully submitted,

BLAKELY, SOKOLOFF, TAYLOR
& ZAFMAN LLP

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Sheryl Sue Holloway
Attorney for Applicant
Registration No. 37,850

12400 Wilshire Boulevard
Seventh Floor
Los Angeles, CA 90025-1026
(408) 720-8300 x3476